JD-155-98
Detroit, MI

UNITED STATES OF AMERICA
BEFORE THE NATIONAL LABOR RELATIONS BOARD
DIVISION OF JUDGES

VICO PRODUCTS COMPANY

and

Case Nos. 7-CA-40016
7-CA-40572(2)

INTERNATIONAL UNION, UNITED AUTOMOBILE, AEROSPACE AND AGRICULTURAL IMPLEMENT WORKERS OF AMERICA, (UAW), AFL-CIO

Dennis R. Boren, Esq. and Michael O'Hearon, Esq., of Detroit, MI, for the General Counsel.
Michael B. Nicholson, Esq., of Detroit, MI, for the Charging Party-Union.
Steven B. Horowitz, Esq., and Mark S. Ruderman, Esq., of Springfield, NJ, for the Respondent-Employer.

DECISION

Statement of the Case

Bruce D. Rosenstein, Administrative Law Judge. This case was tried before me in Detroit, Michigan, on March 2 through 6 and May 4 through 8, 1998, pursuant to a Complaint and Notice of Hearing (the complaint) issued by the Regional Director for Region 7 of the National Labor Relations Board (the Board) in Case 7-CA-40016 on September 19, 1997,[1] and in Case 7-CA-40572 (2) on February 26, 1998. The complaint, based upon charges filed by International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, (UAW), AFL-CIO (the Union or UAW), allege that Vico Products Company (the Respondent or Vico), has engaged in certain violations of Section 8(a)(1), (3), and (5) of the National Labor Relations Act (the Act). The Respondent filed timely answers and denied that it committed any violations of the Act.

Issues

The complaint in Case 7-CA-40016, alleges violations of Section 8(a)(1), (3), and (5) of the Act based on the Respondent's unlawful conduct on July 3, when it unilaterally announced its decision to eliminate the caliper pin operation at its Plymouth, Michigan plant, and relocate the machinery and work to its Louisville, Kentucky facility, and on July 4, when the Respondent relocated all of the caliper pin work and machinery from its Plymouth location to its Louisville facility, and laid off approximately 33 employees in the Plymouth facility. The complaint in Case 7-CA-40572 (2) alleges a violation of Section 8(a)(1) and (5) of the Act by the Respondent's failure in August 1997, to continue its practice of granting an annual across-the-board wage increase to employees in the unit.

[1] All dates are in 1997 unless otherwise indicated.

On the entire record, including my observation of the demeanor of the witnesses, and after considering the briefs filed by all parties, I make the following

Findings of Fact

I. Jurisdiction

The Respondent is a corporation engaged in the manufacture and non-retail sale of brake caliper components, with an office and place of business in Plymouth, Michigan, where it annually sold and shipped from its Plymouth facility goods valued in excess of $50,000 directly to points outside the State of Michigan. Respondent also operates facilities in Louisville, Kentucky, and Sumter, South Carolina. The Respondent admits and I find that it is an employer engaged in commerce within the meaning of Section 2(2), (6), and (7) of the Act and that the Union is a labor organization within the meaning of Section 2(5) of the Act.

II. Alleged Unfair Labor Practices

A. *The Facts*

1. The Respondent's operations prior to February 1997

Vico is a family owned business that was started in 1943 by Leo Schultz, the father of President and Part Owner Robert R. Schultz (R. Schultz) and the grandfather of Vice President/General Manager/Part Owner Curt R. Schultz (Schultz). The business was moved to its present Plymouth, Michigan location in 1965.

Vico started the manufacture of caliper pins in late 1994.[2] Since the Respondent determined that the caliper pin operation was to be the critical product line for the future of the company, it applied on April 18, 1995, to the Michigan Strategic Fund for a three million-dollar loan. The loan proceeds were received on March 1, 1996, and Vico immediately commenced renovation of its Plymouth facility and purchased new manufacturing equipment to meet its stated goal of increased production (G.C. Ex. Nos. 35-39). An area of approximately 2300 square feet, known as the "blue room", was converted for the production of caliper pins. In order to be in compliance with the provisions of the loan agreement (G.C. Ex. No. 32), the Respondent committed to hire approximately 10-15 new employees and to purchase and retain equipment in Plymouth, Michigan.[3] In December 1995, Respondent also commenced the application process to apply for a tax abatement from the Township of Plymouth.

On May 10, 1996, Vico signed a lease to acquire 10,800 square feet of space and to

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[2] Caliper pins are manufactured by Vico and sold to customers for use in the production of automobile disc brakes. Their primary function is to attach the two housings of a disc brake caliper together. It absorbs vibration and noise when braking occurs and also helps determine brake pad wear.

[3] Section 9.2 of the loan agreement provides in pertinent part:

Except as provided in this Section, machinery and equipment financed with the proceeds of the Bonds shall remain at the Project Site. The Company may, with the consent of the Bank, sell or remove any machinery and equipment comprising a portion of the Project so long as the removal of such machinery and equipment from the Project will not, in the opinion of Bond Counsel, impair the exclusion of interest on the Bonds from gross income for federal income tax purposes.

install 400-amp electric service and a 48" fan with control wiring in Louisville, Kentucky. The zoning of the property was approved for "light manufacturing" (Resp. Ex. No. 13). Thereafter, an addendum was executed to reflect a move in date of October 1, 1996.

In June 1996, an all employee meeting was held on a Saturday at the Elks club to apprise employees about the future of Vico. Schultz told employees about Vico's plan for increased personnel and machinery, while incorporating the influence of technology. It was forecasted that in the next four years caliper pin sales would jump from one and one half million to potentially six million dollars, and that in 1997, caliper pins would account for approximately 20% of gross sales. During the course of the meeting, Schultz showed slides with concentric circles indicating the location of existing caliper pin customers and told the employees that the caliper pin business may be relocated to Louisville, Kentucky because of its proximity to the customer base. Schultz did not mention any specific dates or that a definite decision had been made to relocate the caliper pin operation to Louisville.

In or around April 1996, Vico provided its primary caliper pin customer, Ambrake Corporation, an advanced announcement of its intent to open the Louisville, facility. It states in pertinent part:

> Over the last few years our customer base in the Ohio River Valley Region has been on a large growth curve. As a result of this demand, and our quest to provide our customers world class products and service, Vico Products is very proud to officially announce the opening of our new facility in the Middletown Industrial Park. We now will only be 55 miles (one hour) from your plant vs. 410 miles (seven hours). Ambrake will be able to pick-up daily or several times a day depending on the demand. We are excited about beginning a cost saving returnable container system with your help. Needless to say we are excited and we hope you too view this as a convenient, efficient and cost effectiveventure that Ambrake Corporation will benefit from.

During the October to December 1996 time period, Schultz had general discussions with Richard Stevenson of Ambrake, as to whether it would be prudent to relocate the entire caliper pin operation to Louisville. He testified that he was feeling Stevenson out, as Vico's largest caliper pin customer, concerning the wisdom of undertaking such a move. In late December 1996, Schultz independently made the decision to move the caliper pin operation, primarily because of the huge customer base now located closer to Louisville and the overcrowding of the Plymouth "blue room" production area. In conjunction with that decision, Vico began in January 1997, to stockpile caliper pins in the Plymouth facility to achieve its goal of reaching an eight-week on hand inventory.

2. The Union and Events after February 1997

The Union commenced its organizing drive at Vico in February 1997, and a number of employees formed the UAW Volunteer Organizing Committee (VOC). On March 3, Chairman of the VOC Jim White, presented Schultz with a signed employee document that set forth the rights of employees under Section 7 of the Act and pointed out what specific acts would be illegal during the course of the organizing campaign (G.C. Ex. No. 17). On March 4, the Union distributed a newsletter throughout the facility and urged employees to seek answers to their questions from members of the VOC. On March 11, White handed a document signed by approximately 50 employees and titled "Sensible Rules for a Fair Election" to Schultz who read it but refused to sign or endorse it (G.C. Ex. No. 18). An additional Union newsletter was distributed throughout the facility on or about March 14, and listed the names of Vico employees that supported sensible rules for a fair election (G.C. Ex. No. 20). Throughout the

Union campaign, there is no dispute that the Respondent was aware that employees openly wore union buttons to show support for the UAW.

In March 1997, Vico's President R. Schultz approached employees Jacqueline Whitehead and Lucy Arnold while they were working in the "blue room" and said, "Do you know what's going on around here?" Both employees said no. R. Schultz said, "Lucy, you know, don't you?" R. Schultz then said, "Well, if a Union gets out here, a lot of people could be laid off." R. Schultz then put his hand on Whitehead's shoulder and said, "If the Union gets in here, you can be laid off."

In late March or early April 1997, employee Fred Nitz was discussing the pros and cons of the Union with co-workers on the shipping dock when General Manager of Organizational Support, Karen Dearing, came up to the employees and said, "You know that there are changes that are going to be made when the Union is voted in and there may or may not be jobs left. Nothing is in stone, nothing is permanent."

An NLRB election was held on April 17, and the Union won. Thereafter, on April 25, the Union was certified as the exclusive collective-bargaining representative of Vico's employees. In May 1997, UAW International staff representative Phillip Keeling, was assigned to assist the newly certified Union to obtain its first collective-bargaining agreement with the Respondent.

Vico hired Martin Cibich as General Manager of Operations on March 2. On June 3, Cibich telephoned Stephen Daugherty, Owner and Manager of Doc's Crane & Rigging, and requested that Daugherty come to the Plymouth facility on June 8, a Sunday, to look at a number of machines that were to be moved to another facility. On that date, Daugherty along with his rigging forman, drove to Vico's facility and without employees present met with Cibich. During their walk through the Plymouth facility, Daugherty noticed a number of UAW stickers on toolboxes and asked Cibich whether there would be any labor problems if the equipment was relocated. Cibich replied, "that he didn't feel there would be a problem." Cibich informed Daugherty that he wanted the equipment moved from the Plymouth facility to Louisville, Kentucky, on July 4.

Daugherty returned to his office in Indiana and several days after June 8, provided Cibich with an oral proposal to perform the work. On June 24, Daugherty telephoned UAW representative Keeling and informed him that he previously visited Vico's facility on June 8, and after observing UAW insignia throughout the facility, he became suspicious when Vico wanted him to move six machines on July 4, from the Plymouth facility to another facility in Louisville, Kentucky. Keeling told Daugherty that he was surprised, as he was not aware of any plans to move machinery or portions of the plant and intended to raise the subject in a meeting with Vico scheduled on June 27.

On June 24, Vico executed a lease to acquire an additional 3600 square feet of space in Louisville. The building is not connected but is in close proximity to the other 10,800 square feet of space previously acquired in May 1996.

On June 25, in a prearranged meeting with the UAW employee bargaining committee to discuss the preparation of a contract survey in advance of negotiations, Keeling asked the employees if they had heard anything about equipment being relocated to Louisville, Kentucky. None of the employees on the UAW committee heard anything formally or informally about such a move and Keeling requested that they keep their ears to the grindstone.

On June 27, Keeling met with Schultz at the Plymouth facility. After discussing their respective organizational structures and Keeling apprising Schultz that he would be on vacation for the next two weeks during the normal summer shutdown of the automobile plants, Keeling told Schultz that he heard rumors about Vico planning to move some of its operations and equipment to Vico's facility in the South. Schultz replied, " that may be something that may have to be considered in the future, but as it stood right then, there were no immediate plans to move anything out of the plant." [4] Keeling said, " well if that would come up, please contact us, we have a right to discuss that." That evening, Keeling telephoned UAW Committee Chairman Jim White and told him that he asked Schultz a question in their meeting about moving equipment from the plant and got no indication from Schultz that there were any plans to do so.

On July 2, Daugherty faxed and mailed a written monetary proposal to Vico for the relocation of the equipment (G.C. Ex. No. 29). On July 3, Vico sent Daugherty directions and maps for the Plymouth and Louisville facilities. After receipt of the directions, Daugherty had several telephone calls with Cibich in an effort to obtain a signature on the job proposal. Daugherty also spoke by telephone with Schultz on July 3, and told him it was necessary to get the proposal signed in order for him to perform the job.

On July 3, while at his vacation cottage, Keeling received a telephone call from his secretary who apprised him that she just received a fax transmission from Schultz concerning moving the caliper pin operation from the Plymouth facility to Louisville, Kentucky. Keeling instructed his secretary to fax him the transmission immediately.[5] Keeling drafted a response on July 3, faxed it to his secretary who finalized the letter, and forwarded it to Schultz.[6] On July

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[4] Keeling's notes of the June 27 meeting reflect that Schultz said, "may have to move equipment to other plants as part of corporate strategy." (G.C. Ex. No. 11).

[5] The July 3 letter states:

Over the last few years, Vico has pursued a gradual realignment of its core business by product category. In continuance of this realignment, Vico Products Co. will announce today its plans to move the machining operations for caliper pins to Louisville, Kentucky and will be available to discuss this issue at your earliest convenience. This movement will result in a loss of 29 employees at the Plymouth facility. We will consider all applications for the new job openings at the Louisville facility.

[6] The July 3 response states in pertinent part:

I am very disappointed in the news that Vico is moving 29 jobs to one of its other plants, particularly in view of the tone and content of our meeting this past Friday. At this meeting you had many questions about the UAW, which I answered, and I asked you several questions about your business. It was my impression that you were sincere and forthright in our discussions and clearly indicated you wanted to develop a good relationship with the UAW and proceed to bargain in good faith to achieve a contract. I specifically asked about any plans Vico might have to move work from Plymouth to your facilities in the South. You did not indicate any such plans. Six days later, I now receive your letter announcing the company's "gradual realignment of its core business," and the news you are moving 29 jobs to Kentucky. I find it hard to believe that you were not aware of this plan when we spoke last Friday. Furthermore, the timing of this announcement is odd. You knew I was going to be out of town on vacation

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5, Schultz telephoned Keeling at his vacation cottage and told him that nothing came up in their June 27 meeting about relocating work. Keeling replied, "that you knew very well what was discussed in the meeting." On July 6, Schultz sent a letter to Keeling responding to his letter of July 3 and their July 5 telephone conversation.[7]

On July 3, Schultz held a meeting at the Plymouth facility, and informed employees in attendance that because of the overcrowding of equipment in the "blue room", and since the primary caliper pin customers were located closer to Louisville, Kentucky, it was necessary to implement a work force reduction due to the transfer of the caliper pin operation to Vico's facility in Louisville.[8] He further stated that effective July 4, approximately 33 employees hired since January 1995, would be laid off in order of seniority. Schultz also told the assembled employees that applications would be accepted if anyone was interested in applying for a position in Louisville.

On July 3, Union President Carl Bantau received a telephone call from a Vico employee who informed him that a layoff was just announced at Vico. Bantau left telephone messages for Keeling and White but independently decided that the Union would put up an informational picket line at the Plymouth facility on July 4.

On July 4 at 6 a.m., Daugherty received a telephone call from Cibich at his home. Cibich asked Daugherty whether he was in the Plymouth area and ready to proceed with the job. Daugherty said, "no, he would not do the job without a signed proposal." Cibich replied, "that he already had another rigger lined up."

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and unavailable to discuss this matter, so, I can only assume the timing is some part of a corporate strategy. Also, I am sure your employees appreciated this news one-day before the July 4th holiday. While I had hoped, and you had led me to believe, that Vico and the UAW would develop a positive working relationship, your company's action will make that very difficult. If you follow through with this plan, the UAW will file every available legal challenge. Clearly, Vico's intent is to move its business, due to the recent certification of the Union at the Plymouth facility.

[7] The July 6 letter states in pertinent part:

I would like to respond in writing to your letter dated July 3, 1997 concerning our announcement to move certain jobs to our Louisville plant. I am, indeed anxious to meet with the Union to discuss issues relating to the move. Please be assured that our announcement was not made to coincide with your vacation plans. I am sure, however, you understand that our business decisions are based upon factors that cannot be subject to your vacation activities. Also, be assured that the move had nothing to do with the recent Union certification. Again I must reiterate from our phone conversation, that your statement in your letter regarding when we last met and your purported question about any plans Vico might have to move to other facilities astounds me. We met and discussed things in a very general sense. Had you raised the specific question, I would have been responsive to you. Your statement is totally inaccurate.

[8] The same slides with the concentric circles showing the caliper pin customers proximity to Louisville, as was shown at the June 1996 employee meeting, was also shown to employees on July 3.

On July 4 at 7:20 a.m. Cibich telephoned Thomas Rahburg, the owner of Westland Rigging, and asked him whether he could immediately come to the Plymouth facility to look at some equipment to be moved. Rahburg went to the Plymouth facility around 8 a.m. on July 4, was shown the equipment, and Cibich asked him whether it could be moved immediately to Louisville, Kentucky. Rahburg told Cibich he could do the job and returned to his yard to prepare the trucks and assemble the forklift loading equipment. No discussion of price occurred on July 4. Around 9:30 a.m. on July 4, Cibich telephoned Rahburg and asked when he would have his equipment ready to start moving the machinery. Rahburg said he would be at the Plymouth facility in about a half an hour.

Bantau arrived at the Plymouth facility around 6:30 a.m. on July 4, and met Jim White and UAW official Jim Gersik. Around 10:00 a.m. on July 4, Bantau and White observed the Plymouth police lead three flatbed tractor trailers and two pickup trucks into the plant entrance and proceed to the back of the plant. White observed the trucks leave the facility later that day loaded with machinery and he followed the trucks to the storage yard of Westland Rigging. Bantau received a telephone call around 2 a.m. on July 5 from a Vico employee who had followed the trucks to Westland Rigging, and informed him the trucks were moving. Bantau, along with White, and UAW officials Gersik and Gloria Ramirez drove to Louisville, arrived on July 7, and personally observed and took video tapes of the former caliper pin "blue room" machinery being placed inside two separate buildings and electricians installing electrical wiring.

In August 1997, the Respondent did not give employees an annual across-the-board wage increase. Vico did not inform the Union in advance of its decision not to grant the annual wage increase, nor did it engage in any collective-bargaining negotiations concerning this matter.

B. *Analysis and Concluding Findings*

1. Whether the Respondent's decision to eliminate the Plymouth caliper pin operation is a mandatory subject of bargaining?

The Respondent contends that its decision to eliminate the Plymouth caliper pin operation is not a mandatory subject of bargaining.

The evidence conclusively establishes that the Respondent relocated from its Plymouth facility to Louisville, the equipment used to manufacture and produce caliper pins, and presently continues to perform in Louisville the same caliper pin work as had previously been performed by the Plymouth unit employees. Thus, the present case is one involving relocation of unit work.

As held by the Board, a decision to relocate unit work is one more closely analogous to the subcontracting decision found mandatory in *Fiberboard Corp. v. NLRB,* 379 U.S. 203 (1964), than the partial closing decision found nonmandatory in *First National Maintenance Corp. v. NLRB,* 452 U.S. 666 (1981). In *Dubuque Packing Co.,* 303 NLRB 386 (1991), enfd. sub. nom. *Food & Commercial Workers Local 150-A v. NLRB,* 1 F.3d 24 (D.C. Cir. 1993), the Board spelled out the following test for determining whether an employer's decision to relocate unit work is a mandatory subject of bargaining.

Initially, the burden is on the General Counsel to establish that the employer's decision involved a relocation of unit work unaccompanied by a basic change in the nature of the employer's operation. If the General Counsel successfully carries the burden in this regard, he

will have established prima facie that the employer's relocation decision is a mandatory subject of bargaining. At this juncture, the employer may produce evidence rebutting the prima facie case by establishing that the work performed at the new location varies significantly from the work performed at the former plant location, or establishing that the employer's decision involves a change in the scope and direction of the enterprise. Alternatively, the employer may proffer a defense to show by a preponderance of the evidence (1) that labor costs (direct and/or indirect) were not a factor in the decision or (2) that even if labor costs were a factor in the decision, the union could not have offered labor cost concessions that could have changed the employer's decision to relocate.

Applying the *Dubuque* test, I find that the General Counsel has established that the Respondent's decision involves a relocation of unit work unaccompanied by a basic change in the nature of its operation. Here, the Respondent continues to manufacture and produce caliper pins at its Louisville facility. The Respondent simply moved closer to certain customers but did not undertake a basic change in the nature of its production operation. In sum, the Respondent is producing the same product for the same customers under essentially the same working conditions.

I further find that none of the defenses articulated by the Board in *Dubuque* are present in this case. As previously discussed, the work performed by the nonunit employees in Louisville is identical or substantially similar to that previously performed by the Plymouth unit employees. Thus, the caliper pinwork was not discontinued. Indeed, the Louisville facility independently advertised for workers with skills similar to employees in Plymouth and Schultz announced at the July 3 mandatory meeting in Plymouth, that employees impacted by the layoff could file applications for employment in Louisville, which would be duly considered. Thus, there was no change in the scope or direction of the enterprise. The Respondent continues to deliver its caliper pins to the same customers it previously serviced from Plymouth, asserting that it simply wished to do so more economically and efficiently.

The evidence further demonstrates that labor costs, both direct and indirect, were a conspicuous factor in the Respondent's decision to relocate the work. Indeed, in or around April 1996, Vico provided its primary customer, Ambrake Corporation, a press release in anticipation of opening the Louisville facility. The announcement points out the advantages that it sees in serving Ambrake including being only 55 miles from their plant which should reduce shipping costs and time, allow for daily pickup of parts and to begin a joint cost saving returnable container system. Board precedent holds that "quality control," i.e., labor efficiency and productivity, is an indirect labor cost factor. See *Bob's Big Boy Family Restaurants,* 264 NLRB 1369 (1982). In this regard, the Respondent asserts that it utilized a cost/benefit analysis to assist it in making the relocation decision. Included in the calculations, are considerations of labor costs (Resp. Ex. Nos. 19 and 20). Lastly, the cell method of production that the Respondent implemented in Louisville, is in part indicative of labor cost considerations. Such a system allows an employer to consolidate processes and, essentially, produce the same product with less employees. Thus, labor efficiency and productivity played a part in the Respondent's decision to relocate the caliper pin operation to Louisville. Therefore, I conclude that labor costs were a factor in Respondent's decision to relocate the work.

I further find that the Union could have offered labor cost concessions that might have changed Vico's decision to relocate. In this regard, Schultz testified that the labor costs (wages and benefits) for the Louisville facility were higher than the labor costs in the Plymouth plant. Thus, the Union representing the incumbent workers has the ability to vary that differential and thereby influence the employer's decision through collective bargaining. Therefore, had the Respondent provided the Union advance notice of its decision to relocate the caliper pin operation to Louisville, and engaged in mandatory collective bargaining negotiations, the Union could have offered concessions that might have changed Vico's decision to relocate the work. Likewise, Respondent argues that relocating the caliper pin operation to Louisville was projected to save freight costs as Vico would be closer to Ambrake, its primary caliper pin customer located in Kentucky, and could derive substantial savings in that area. I find that had the Union been given the opportunity to negotiate in advance of the relocation, they could have submitted bargaining proposals relative to the anticipated increased freight costs for Bosch, another major caliper pin customer, who was located in Michigan for whom caliper pins would now have to be shipped from Louisville. Indeed, Vico subsequently determined to relocate the manufacture of caliper pins for Bosch back to its Plymouth facility in December 1997.

Respondent also argues that even if labor costs were a factor in the decision, the Union could not have offered labor cost concessions that would have changed its decision to relocate, as it related to the concept of running the manufacturing process in a more efficient manner utilizing a cell operation for the production of caliper pins. Contrary to this position, I find that the Union could have submitted bargaining proposals concerning how people would be selected to run the cell operation machinery and possibly could have persuaded Vico, had it been notified and permitted to submit bargaining proposals prior to July 3, to have retained the Bosch caliper pin manufacturing work at the Plymouth facility using the cell method of operation rather then relocating the Bosch work to Louisville. Lastly, I find at no time did Respondent fully explain the underlying cost considerations to the Union and ask whether it could offer labor cost reductions that would enable the Respondent to meet its objectives. Rather, the relocation decision was presented to the Union as a *fait accompli*.

For all of the above reasons, I find that the Respondent's decision to relocate the caliper pin operation to Louisville was a mandatory subject of bargaining, and Vico violated Section 8(a)(1) and (5) of the Act by failing and refusing to bargain in good faith with the Union prior to relocating the unit work.

2. Whether the Respondent provided timely notice to the Union to enable it to negotiate over the effects of its decision to relocate the work and the layoff of 33 unit employees.

The first time that the Respondent provided notice to the Union of the July 4 relocation and layoff of 33 unit employees took place on July 3 at 12:38 p.m., when Schultz faxed a one-page letter to Keeling's office. Keeling did not receive the document until 1:42 p.m., when his secretary faxed it to him at his vacation cottage. On that same day, the Respondent conducted a 2:00 p.m. meeting with its employees and announced the relocation of the caliper pin operation to Louisville.

It is well established that absent exigent circumstances, preimplementation notice is required to satisfy the obligation to bargain over decisions that impact on employee conditions of employment. *Los Angeles Soap Co.,* 300 NLRB 289 (1990).

Applying this principal to the subject case conclusively establishes that the notice given on July 3, does not constitute sufficient advance notice to the Union so as to enable it to make

a request to negotiate or submit bargaining proposals. Likewise, I find that the Respondent did not present evidence to establish that any exigent circumstances were present to undermine this requirement.

3. Whether the Respondent's decision to eliminate the Plymouth caliper pin operation was for the discriminatory purpose of retaliating against employees for selecting the Union

The General Counsel alleges in paragraph 15 of the complaint in Case 7-CA-40016, that the July 3 decision to layoff approximately 33 employees, and the July 4 relocation of the caliper pin operation from Plymouth to Louisville, Kentucky, was for the discriminatory purpose of retaliating against employees for selecting the Union as their representative in violation of Section 8(a)(1) and (3) of the Act.

Contrary to the General Counsel, the Respondent argues that it can show a substantial business justification for the layoff of employees and the relocation of the caliper pin operation to Louisville. It further argues that these actions were unrelated to the certification of the Union.

In *Wright Line,* 251 NLRB 1083 (1980), enfd. 682 F.2d 899 (1st Cir. 1981), cert. denied 455 U.S. 989 (1982), the Board announced the following causation test in all cases alleging violations of Section 8(a)(3) or violations of Section 8(a)(1) turning on employer motivation. First, the General Counsel must make a prima facie showing sufficient to support the inference that protected conduct was a "motivating factor" in the employer's decision. On such a showing, the burden shifts to the employer to demonstrate that the same action would have taken place even in the absence of the protected conduct. The Unites States Supreme Court approved and adopted the Board's *Wright Line* test in *NLRB v. Transportation Management Corp.,* 462 U.S. 393, 399-403 (1993). In *Manno Electric,* 321 NLRB 278 fn. 12 (1996), the Board restated the test as follows. The General Counsel has the burden to persuade that antiunion sentiment was a substantial or motivating factor in the challenged employer decision. The burden of persuasion then shifts to the employer to prove its affirmative defense that it would have taken the same action even if the employee had not engaged in protected activity.

The General Counsel alleges a number of factors to support its theory of violation. First, the Respondent leased an additional 3600 square feet of space on June 24, only 60 days after the Union was certified. Second, the Respondent previously contemplated the expansion of the caliper pin operation in Plymouth, and for that purpose applied for and received a three million dollar loan from the Michigan Strategic Fund. It thereafter used these funds to purchase new machinery and committed to hire new employees at the Plymouth facility. Third, the Respondent's newsletters that issued in 1996 indicate no plans to move from or shut down any part of the Plymouth facility. Rather, the newsletters discussed the growth of the caliper pinwork in Plymouth, for which 18 new employees were hired. Fourth, the reasons asserted by the Respondent as motivating the relocation including the lack of space in Plymouth and the proximity of its customers to Louisville are unconvincing, particularly in light of Vico's customers' mix remaining essentially unchanged from the 1996 period when its plans were to expand the caliper pin operation at its Plymouth facility. Fifth, in March and April 1997, but before the Union's certification, two of Respondent's high level officials told employees that a lot of people could be laid off if the Union gets in and that changes are going to be made when the Union is voted in and there may or may not be jobs left. Lastly, it is suspicious in the June 27 meeting between Schultz and Keeling, that Schultz made no mention of the plan to relocate the equipment on July 4, especially in light of Schultz and Cibich's prior discussions with Daugherty to this effect.

Contrary to the General Counsel, I am not convinced that the caliper pin operation was relocated to Louisville on July 4, because of antiunion sentiment. In this regard, the following factors, which took place prior to and after the onset of the Union's organizing campaign in February 1997, militate against such a conclusion. First, Vico signed a lease for the acquisition of 10,800 square feet of warehouse and manufacturing space in Louisville on May 10, 1996, that provided for 400 amp electric service (the same service as in the "blue room") and a 48" fan with louver. The majority of the caliper pin equipment housed in Michigan was relocated to this facility. Second, in an employee meeting held at the Elks club in June 1996, Schultz told the employees in attendance that the caliper pin operation might be relocated to Louisville because it was closer to its core customers, and showed the same slides as on July 3, that depicted concentric circles with the location of the caliper pin customers and their proximity to Louisville. Third, Schultz credibly testified that he had general discussions in October through December 1996, with Richard Stevenson of Ambrake about whether it would be prudent to relocate the caliper pin manufacturing operation to Louisville. It was after these discussions that Schultz independently decided in late December 1996, to move the operation to Louisville and began to stockpile caliper pins in January 1997, in anticipation of the relocation.[9] Fourth, Section 9.2 of the loan agreement with the Michigan Strategic Fund contains provisions to be followed if the equipment is moved out of Michigan. The record establishes that Vico redeemed bonds in the amount of 1.3 million dollars to reflect the equipment that was moved out of State, obtained the consent of Bond Counsel and its Bank to do so, and filed the appropriate property and tax abatement returns that noted certain equipment was relocated outside of Michigan. Indeed, Assistant Attorney General for the State of Michigan, Tom Schimpf, testified that Vico is not currently in default with the Strategic Fund nor has anyone from the State of Michigan instituted action to compel the return of the equipment to Michigan. Fifth, although the General Counsel introduced testimony from three different employees that two high level officials of Vico (R. Schultz and Karen Dearing), in March and April 1997, separately told these employees that they could be laid off and changes are going to be made if the Union gets in, I note that these allegations were not the subject of individual unfair labor practice charges filed by the Union nor were they independently alleged in the complaint as Section 8(a)(1) violations of the Act. Since the decision to relocate the caliper pin operation was made before the onset of the Union organizing campaign in February 1997, I conclude that even if the statements were made, they were uttered at a time after Schultz independently made the decision to relocate the caliper pin operation to Louisville. Moreover, at the time of the alleged conversations, R. Schultz was inactive in the day to day operations of Vico, and only visited the facility once per week for 20 to 25 minutes per visit. Likewise, even if Dearing made the statement attributed to her, I find it is protected under Section 8(c) of the Act. Sixth, It is undisputed that the caliper pin equipment was moved from its 2300 square foot location in the "blue room" to over 14,000 square feet in Louisville, which supports Schultz's contention that the "blue room" contained inadequate space to house the caliper pin operation and was one of the main reasons for the relocation. Lastly, I note that none of the bargaining committee members or the leading union adherents who served on the VOC were laid off on July 3, and the layoff was undertaken by following strict seniority guidelines. In fact, many of the "blue room" employees were reassigned to other positions throughout the plant based on strict seniority.

[9] Contrary to the Union's argument in brief, I conclude that Schultz made the decision to relocate the caliper pin operation to Louisville in December 1996 rather then in April 1996. In this regard, although Schultz testified that he knew when he opened the facility it was his intent to make caliper pins in Louisville, the record conclusively establishes that the decision to relocate the caliper pin operation to Louisville was not independently made until December 1996. Thus, I reject the Union's "Decision Date" claim and supporting arguments.

For all of the above reasons, I conclude that the caliper pin operation was not relocated to Louisville on July 4, because of antiunion sentiment. Moreover, I find under *Wright Line* that Vico would have taken the same action even in the absence of the employees protected activity. Accordingly, I recommend that paragraph 15 of the complaint in Case 7-CA-40016 be dismissed.

4. Whether Vico's refusal to continue its practice of granting an annual across-the-board wage increase violated the Act.

The General Counsel alleges in paragraphs 9 through 11 of the complaint in Case 7-CA-40572(2), that in or around August 1997, Vico failed to continue its practice of granting an annual across-the-board wage increase to employees in the Unit. The parties agree that for the last ten years between 1987 and 1997, across-the-board wage increases were given to Vico employees between August and October of each year.[10]

On October 16, Keeling wrote a letter to Attorney Ruderman and requested additional information in order to develop an economic proposal in preparation for the parties' October 23, collective-bargaining session (G.C. Ex. No. 27).[11] In part, the letter requested a report on any across-the-board percentage wage increases for the last ten years. By letter dated October 20, Vico provided a table showing wage percentage increases for a seven-year period between 1991 and 1997.

The evidence establishes and Vico admits that it did not grant an across-the-board percentage wage increase to its employees in 1997. Likewise, Keeling credibly testified that Vico did not give any prior notice to or engage in any bargaining with the Union prior to its decision not to give the across-the-board wage increase to its employees.

An employer may not unilaterally alter terms and conditions of employment without affording the union representing its employees a meaningful opportunity to negotiate. *NLRB v. Katz,* 369 U.S. 736,743 (1962). Pay increases or adjustments, which are established and regular events, are conditions of employment not subject to unilateral change. *Lamont Apparel,* 317 NLRB 286 (1995). In *Daily News of LosAngeles,* 315 NLRB 1236 (1994), the Board held that in its view, the standard set forth in *NLRB v. Dothan Eagle,* 434 F.2d 93, 98 (5th Cir. 1970), which looks to whether a change has been implemented in conditions of employment, captures best what lies at the heart of the *Katz* doctrine. It neither distinguishes among the various terms and conditions of employment on which an employer takes unilateral action nor does it discriminate on the basis of the nature of a particular unilateral act. It simply determines whether a change in any term and condition of employment has been effectuated, without first bargaining to impasse or agreement and condemns the conduct if it has. In the subject case, the evidence overwhelming establishes that Vico did not notify or engage in any negotiations with the Union prior to deciding not to give the annual across-the-board wage increase in 1997.

Vico argues that it did not grant the annual across-the-board wage increase in 1997

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[10] The wage increase In 1987 was 4.3-4.5%, 1988 was 4.1-4.9%, 1989 was 3-4.3%, 1991 was 0%, 1992 was 5%, 1993 was 4%, 1994 was 3%, 1995 was 3%, 1996 was 4% and in 1997 it was 0%.

[11] While 33 employees were laid off on July 4, the Union still represents approximately 80 bargaining unit employees at Vico. The parties continue to engage in collective-bargaining negotiations in an effort to reach an initial agreement.

based on the contents of an August 11 letter that Attorney Ruderman sent to the Union. Specifically the letter, which is Ruderman's summary of what the parties agreed to after the first negotiation session on August 5, states in pertinent part that "the parties agree to discuss language issues first and then economics as a total package." I reject this argument for the following reasons. First, the August 5 letter is nothing more then Ruderman's summary of what the parties agreed would be the format for negotiations. Second, the letter does not discuss or define what economics include and it certainly does not discuss the annual across-the-board wage increase given to Vico employees. Third, Keeling credibly testified that he first learned of Vico's practice to grant annual across-the-board wage increases to its employees in October 1997. Thus, I conclude that the Union could not have given up its right to negotiate over the across-the-board wage increase in the August 5 negotiation session, if it never was aware of Vico's past practice to give the increase until October 1997.

Under these circumstances, I find that Vico violated Section 8(a)(1) and (5) of the Act when it failed to continue its practice of granting an annual across-the-board wage increase to employees in the Unit without prior notice to and affording the Union an opportunity to negotiate. Thus, the employees must be made whole for any loss of pay they may have suffered by reason of the Respondent's unilateral discontinuance of the across-the-board wage increase program. In addition, any increase must continue to be paid until changes in the program are agreed to or are lawfully implemented pursuant to a valid bargaining impasse.

Conclusions of Law

1. Respondent is an employer engaged in commerce within the meaning of Section 2(2) (6) and (7) of the Act.

2. The Union is a labor organization within the meaning of Section 2(5) of the Act.

3. The following employees of Respondent constitute a unit appropriate for the purposes of collective bargaining within the meaning of Section 9(b) of the Act:

> All full-time and regular part-time production and maintenance employees, Including pressroom employees, thread roll employees, toolroom employees, quality control employees, shipping employees, inventory control employees, sorting/assembly employees, header employees, chucker employees and maintenance employees employed by the Employer at its facility located at 41555 East Ann Arbor Road, Plymouth, Michigan; but excluding all office clerical employees, other represented employees, guards and supervisors as defined in the Act.

4. At all times since April 25, 1997, based on Section 9(a) of the Act, the Union has been the exclusive collective-bargaining representative of the Unit.

5. Respondent has engaged in unfair labor practices within the meaning of Section 8(a)(1) and (5) of the Act by its layoff of approximately 33 employees and unilaterally implementing its decision to eliminate the caliper pin operation at its Plymouth plant and relocating the machinery and work to its Louisville, Kentucky, facility.

6. Respondent did not engage in unfair labor practices within the meaning of Section 8(a)(1) and (3) of the Act by its layoff of approximately 33 employees and unilaterally implementing its decision to eliminate the caliper pin operation at its Plymouth plant and relocating the machinery and work to its Louisville, Kentucky, facility.

7. Respondent has engaged in unfair labor practices within the meaning of Section 8(a)(1) and (5) of the Act by unilaterally changing the terms and conditions of employment of its employees without having notified or bargained with the Union in good faith to impasse with respect to the payment of annual across-the-board wage increases to unit employees.

8. The unfair labor practices described above affect commerce within the meaning ofSection 2(6) and (7) of the Act.[12]

Remedy

Having found that the Respondent has engaged in certain unfair labor practices, I find that it must be ordered to cease and desist and to take certain affirmative action designed to effectuate the policies of the Act.

The General Counsel has requested a remedial order which would require restoration of the Respondent's caliper pin operation at the Plymouth facility including returning the work and

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[12] In view of my conclusions noted above, I decline to draw adverse inferences against Vico or to issue sanctions against Vico or Schultz as requested by the Union in footnotes 1 and 7 of its post-hearing brief.

[12] The July 6 letter states in pertinent part:

I would like to respond in writing to your letter dated July 3, 1997 concerning our announcement to move certain jobs to our Louisville plant. I am, indeed anxious to meet with the Union to discuss issues relating to the move. Please be assured that our announcement was not made to coincide with your vacation plans. I am sure, however, you understand that our business decisions are based upon factors that cannot be subject to your vacation activities. Also, be assured that the move had nothing to do with the recent Union certification. Again I must reiterate from our phone conversation, that your statement in your letter regarding when we last met and your purported question about any plans Vico might have to move to other facilities astounds me. We met and discussed things in a very general sense. Had you raised the specific question, I would have been responsive to you. Your statement is totally inaccurate.

[12] The same slides with the concentric circles showing the caliper pin customers proximity to Louisville, as was shown at the June 1996 employee meeting, was also shown to employees on July 3.

[12] Contrary to the Union's argument in brief, I conclude that Schultz made the decision to relocate the caliper pin operation to Louisville in December 1996 rather then in April 1996. In this regard, although Schultz testified that he knew when he opened the facility it was his intent to make caliper pins in Louisville, the record conclusively establishes that the decision to relocate the caliper pin operation to Louisville was not independently made until December 1996. Thus, I reject the Union's "Decision Date" claim and supporting arguments.

[12] The wage increase In 1987 was 4.3-4.5%, 1988 was 4.1-4.9%, 1989 was 3-4.3%, 1991 was 0%, 1992 was 5%, 1993 was 4%, 1994 was 3%, 1995 was 3%, 1996 was 4% and in 1997 it was 0%.

[12] While 33 employees were laid off on July 4, the Union still represents approximately 80 bargaining unit employees at Vico. The parties continue to engage in collective-bargaining negotiations in an effort to reach an initial agreement.

[12] In view of my conclusions noted above, I decline to draw adverse inferences against Vico or to issue sanctions against Vico or Schultz as requested by the Union in footnotes 1 and 7 of its post-hearing brief.

machinery and a convential reinstatement and backpay order for the laid off unit employees.

The Board, with Supreme Court approval, has ordered such a remedy where the relocation or other change in operation was effectuated in violation of the employer's bargaining obligation. See *Fiberboard Corp., supra.* The Supreme Court's decision in *Fiberboard* was cited as remedial authority by the Board in *Lear Siegler, Inc.,* 295 NLRB 857, 861 (1989), and by the Court in *Olivetti USA, Inc. v. NLRB*, 926 F.2d. 181,189 (2d Cir. 1991), cert. denied 502 U.S. 856 (1991).

I find that the present case is appropriate for a remedy, which would restore the status quo ante, including restoration of the unit operation and a conventional reinstatement and backpay order. In my opinion, in light of the Respondent's refusal to notify in advance and bargain with the Union before undertaking the relocation of the caliper pin operation, such a remedy is not unduly burdensome to Vico. The Plymouth facility remains open, functioning, and fully capable of handling the same caliper pin operation functions, which it performed prior to July 3. Unlike the facts in the subject case that establish an obligation to bargain over the decision to relocate the caliper pin operation, the cases cited by Respondent in their post hearing brief to support a remedy of not relocating the machinery back to Michigan, do not establish that the General Counsel alleged or argued that the decision was subject to a mandatory bargaining obligation.

Reinstatement for the laid off unit employees, without restoration of the Plymouth caliper pin operation, would not provide an adequate remedy. Absent restoration, there would not be positions available at Plymouth for the majority of the laid off employees. Likewise, it would be unduly burdensome on the employees to permit the Respondent to fulfill its reinstatement obligations by offering the employees positions at the Louisville or Sumter Vico locations.

I have also taken under consideration that the General Counsel petitioned for Section 10(j) injunctive relief in this case and on January 26, 1998, the Court approved a Consent Order among the parties. In this regard, the Order requires the return of three chucker machines to the Plymouth facility and the call back in seniority of four employees from the July 3 layoff. Thus, the Respondent was aware at an early stage of the proceedings that the General Counsel was seeking a restoration of the Plymouth caliper pin operation.

Therefore, I am recommending that the Respondent be ordered to restore and resume its Plymouth caliper pin operation, to offer the laid off unit employees immediate and full reinstatement to their former jobs or, if those jobs no longer exist, to substantially equivalent positions, without prejudice to their seniority or other rights and privileges, and make them whole for any loss of earnings and benefits that they may have suffered from the time of their layoff to the date of the Respondent's offer of reinstatement. Backpay shall be computed in accordance with the formula approved in *F.W. Woolworth Co.,* 90 NLRB 289 (1950), with interest as computed in *New Horizons for the Retarded,* 283 NLRB 1173 (1987).

With respect to the Respondent's unilateral discontinuance of the across-the-board wage increase, I conclude that Vico must immediately put into effect an across-the-board wage increase, and continue such increase in effect until it negotiates with the Union in good faith to a collective-bargaining agreement or reaches an impasse after bargaining in good faith, and make whole its unit employees for any loss of pay they may have suffered due to its unilateral change in the manner prescribed in *Ogle Protection Service,* 183 NLRB 682 (1970), with interest as set forth in *New Horizons for the Retarded, supra.*

As part of the remedy sought, the General Counsel also requests an extension of the

certification year in which the Respondent is ordered to bargain with the Union, on request, in good faith for "the period required by *Mar-Jac Poultry Co.,* 136 NLRB 785 (1962)."

The Board has long held that where there is a finding that an employer, after a union's certification has failed or refused to bargain in good faith with that union, the Board's remedy therefore ensures that the union has at least one year of good-faith bargaining during which its majority status cannot be questioned. *Mar-Jac Poultry,* supra.

In evaluating these factors, I conclude that a one-year extension of the certification year is appropriate to start from the date the parties resume bargaining about the relocation of the caliper pin operation. Here, the Union was certified on April 25, and did not have one year of good faith bargaining before Vico unilaterally relocated the caliper pin operation from Plymouth to Louisville on July 4. Thus, I find that a one-year extension of the certification year will provide the parties with a reasonable period of time for negotiations but the Respondent's duty to bargain will not necessarily stop when the certification expires. Rather, the Respondent is ordered to resume negotiations and bargain in good faith for one year from the time it commences negotiations over the relocation of the caliper pin operation and, if an understanding is reached, embody it in a written agreement.

On these findings of fact and conclusions of law and on the entire record, I issue the following recommended[13]

ORDER

The Respondent, Vico Products Company, Plymouth, Michigan, its officers, agents, successors, and assigns, shall

1. Cease and desist from

(a) Failing or refusing to bargain collectively and in good faith with International Union United Automobile, Aerospace and Agricultural Implement Workers Of America, (UAW), AFL-CIO as the exclusive collective-bargaining representative of the employees in the appropriate unit by unilaterally eliminating unit positions, relocating or reassigning unit work to nonunit personnel, or otherwise changing the wages, hours, and other terms and conditions of employment of unit employees, without prior notice to or affording the Union an opportunity to negotiate and bargain concerning such changes or the effects of such changes.

(b) In any like or related manner interfering with, restraining or coercing its employees in the exercise of the rights guaranteed them by Section 7 of the Act.

2. Take the following affirmative action necessary to effectuate the policies of the Act.

(a) Restore and resume its Plymouth, Michigan caliper pin operation in a manner consistent with the level of operation that existed before the unit positions were eliminated on July 3; offer to the employees laid off on July 3, immediate and full reinstatement to their former jobs or, to substantially equivalent positions, without prejudice to their seniority or

[13] If no exceptions are filed as provided by Sec. 102.46 of the Board's Rules and Regulations, the findings, conclusions, and recommended Order shall, as provided in Sec. 102.48 of the Rules, be adopted by the Board and all objections to them shall be deemed waived for all purposes.

other rights and privileges previously enjoyed, and make them whole for any loss of earnings and benefits they may have suffered from the time of their layoff to the date of Respondent's offer of reinstatement, as set forth in the remedy section of this decision.

(b) Immediately put into effect an across-the-board wage increase, and continue such increase in effect until it negotiates with the Union in good faith to a collective-bargaining agreement or reaches an impasse after bargaining in good faith, and make whole its unit employees for any loss of pay they may have suffered due to its unilateral change in the manner prescribed in *Ogle Protection Service,* 183 NLRB 682 (1970), with interest set forth in *New Horizons for the Retarded, supra.*

(c) On request, bargain with the Union as the exclusive representative of its employees in the appropriate unit with respect to rates of pay, wages, hours, and other terms and conditions of employment and embody any understanding reached in a written agreement.

(d) Preserve and, within 14 days of a request, make available to the Board or its agents for examination and copying, all payroll records, social security payment records, timecards, personnel records and reports, and all other records necessary to analyze the amount of backpay due under the terms of this Order.

(e) Within 14 days after service by the Region, post at its Plymouth, Michigan facility, copies of the attached notice marked "Appendix."[14] Copies of the notice, on forms provided by the Regional Director for Region 7, after being signed by the Respondent's authorized representative, shall be posted by the Respondent immediately upon receipt and maintained for 60 consecutive days in conspicuous places including all places where notices to employees are customarily posted. Reasonable steps shall be taken by the Respondent to ensure that the notices are not altered, defaced, or covered by any other material. In the event that, during the pendency of these proceedings, the Respondent has gone out of business or closed the facility involved in these proceedings, the Respondent shall duplicate and mail, at its own expense, a copy of the notice to all current employees and former employees employed by the Respondent at any time since July 3, 1997.

(f) Within 21 days after service by the Region, file with the Regional Director a sworn certification of a responsible official on a form provided by the Region attesting to the steps that the Respondent has taken to comply.

IT IS FURTHER ORDERED that the complaint is dismissed insofar as it alleges violations of the Act not specifically found.

Dated, Washington, D.C. October 1, 1998

Bruce D. Rosenstein

[14] If this Order is enforced by a Judgment of the United States Court of Appeals, the words in the notice reading "POSTED BY ORDER OF THE NATIONAL LABOR RELATIONS BOARD" shall read "POSTED PURSUANT TO A JUDGMENT OF THE UNITED STATES COURT OF APPEALS ENFORCING AN ORDER OF THE NATIONAL LABOR RELATIONS BOARD."

Administrative Law Judge

APPENDIX

NOTICE TO EMPLOYEES

Posted by Order of the
National Labor Relations Board
An Agency of the United States Government

JD-155-98
Detroit, MI

The National Labor Relations Board has found that we violated the National Labor Relations Act and has ordered us to post and abide by this notice.

Section 7 of the Act gives employees these rights.

To organize
To form, join, or assist any union
To bargain collectively through representatives of their own choice
To act together for other mutual aid or protection
To choose not to engage in any of these protected concerted activities.

WE WILL NOT fail or refuse to bargain collectively and in good faith with International Union, United Automobile, Aerospace, and Agricultural Implement Workers of America, (UAW), AFL-CIO as the exclusive collective-bargaining representative of the employees in the appropriate unit by unilaterally eliminating unit positions, relocating or reassigning unit work to nonunit personnel, or otherwise changing the wages, hours, and other terms and conditions of employment of unit employees without prior notice to or affording the Union an opportunity to negotiate and bargain concerning such changes or the effects of such changes. The appropriate unit is:

All full-time and regular part-time production and maintenance employees, Including pressroom employees, thread roll employees, toolroom employees, quality control employees, shipping employees, inventory control employees, sorting/assembly employees, header employees, chucker employees and maintenance employees employed by the Employer at its facility located at East Ann Arbor Road, Plymouth, Michigan; but excluding all office clerical employees, other represented employees, guards and supervisors as defined in the Act.

WE WILL NOT in any like or related manner interfere with, restrain or coerce you in the exercise of your right to engage in union or concerted activities, or to refrain therefrom.

WE WILL restore and resume our Plymouth, Michigan caliper pin operation, in a manner consistent with the level of operation that existed before the unit positions were eliminated on July 3, 1997; WE WILL offer the employees laid off on July 3, 1997, immediate and full reinstatement to their former jobs, or to substantially equivalent positions, without prejudice to their seniority or other rights and privileges previously enjoyed, and make them whole for any loss of earnings and benefits they may have suffered from the time of their layoff to the date of our offer of reinstatement, with interest.

WE WILL NOT unilaterally change the terms and conditions of employment of our employees without having first bargained with the Union in good faith to impasse with respect to the payment of the annual across-the-board wage increase.

WE WILL Immediately put into effect an across-the-board wage increase, and continue such increase in effect until we negotiate with the Union in good faith to a collective-bargaining agreement or reach an impasse after bargaining in good faith, and WE WILL make whole our unit employees for any loss of pay they may have suffered due to our unilateral change, with interest.

WE WILL, on request, bargain with the Union as the exclusive representative of our employees in the appropriate unit with respect to rates of pay, wages, hours, and other terms and conditions of employment and embody any understanding reached in a written agreement.

Vico Products Company

(Employer)

Dated _____ By _____

(Representative) (Title)

This is an official notice and must not be defaced by anyone.

This notice must remain posted for 60 consecutive days from the date of posting and must not be altered, defaced, or covered with any other material. Any questions concerning this notice or compliance with its provisions may be directed to the Board's Office, 477 Michigan Avenue, Room 300, Detroit, Michigan 48226–2569, Telephone 313–226–3244.